

Message Text

UNCLASSIFIED

PAGE 01 SINGAP 01151 210426Z

15

ACTION EA-10

INFO OCT-01 ISO-00 SP-02 AID-05 EB-07 NSC-05 CIEP-02

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00

FRB-01 INR-07 NSAE-00 XMB-04 OPIC-06 LAB-04 SIL-01

NIC-01 SAJ-01 SAM-01 DODE-00 PA-02 USIA-15 PRS-01

INT-05 OES-05 FEA-01 AGR-10 /118 W
----- 031437

R 210301Z MAR 75

FM AMEMBASSY SINGAPORE

TO SECSTATE WASHDC 2184

INFO AMCONSUL HONG KONG

AMEMBASSY TAIPEI

USLO PEKING

AMEMBASSY KUALA LUMPUR

AMEMBASSY JAKARTA

AMEMBASSY BANGKOK

AMEMBASSY MANILA

UNCLAS SINGAPORE 1151

E.O. 11652: N/A

TAGS: ETRD, SN, CH

SUBJ: SINGAPORE-PRC TRADE DISCUSSIONS IN PEKING

REF: SINGAPORE 1106

1. AS NOTED REFTTEL, COMMERCIAL RELATIONS WAS ONE OF SUBJECTS DISCUSSED

AT MARCH 16 CHOU-RAJARATNAM MEETING. STRAITS TIMES MARCH 19 CARRIED SPECIAL REPORT BY ITS REPORTER PETER LIM ON TALKS AT MINISTRY OF FOREIGN TRADE BETWEEN OTHER MEMBERS OF SINGAPORE MISSION AND CHINESE OFFICIALS IN COURSE OF VISIT.

2. SINGAPORE WAS REPRESENTED AT TRADE TALKS BY HOWE YOON CHONG, CHAIRMAN OF THE PORT OF SINGAPORE AUTHORITY AND PRESIDENT, DEVELOPMENT
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 SINGAP 01151 210426Z

T

BANK OF SINGAPORE, AND I.F. TANG, DEPUTY CHAIRMAN OF THE ECONOMIC DEVELOPMENT BOARD. PRC WAS REPRESENTED BY CHANG SHIEN CHENG AND TU YU SHU, OF THE MINISTRY OF TRADE'S FOURTH (AFRICA AND ASIA) BUREAU.

3. HIGHLIGHTS OF LIM'S REPORT ON TRADE TALKS AS FOLLOWS:

A. THE PRC WISHES TO SEND AN INDUSTRIAL MISSION TO SINGAPORE "AS SOON AS POSSIBLE". CHINA IN TURN WOULD WELCOME SINGAPORE REPRESENTATIVES TO PEKING AT ANY TIME TO SPEED UP TRADE EXPANSION AND ECONOMIC COOPERATION, AND WOULD LIKE TO SEE MORE SINGAPOREANS AT THE CANTON TRADE FAIRS.

B. "ALL THINGS BEING EQUAL", THE PRC WOULD GIVE PREFERENCE TO PURCHASES OF CAPITAL GOODS IN SINGAPORE. IN RETURN, SINGAPORE WILL MAKE GREATER EFFORTS TO MARKET NON-COMPETING PRC-MADE CAPITAL GOODS IN SOUTHEAST ASIA, AS WELL AS INCREASING PURCHASES FOR DOMESTIC USE.

SINGAPORE SUGGESTED PRC BUY THE FOLLOWING PRODUCTS:

SPECIALIZED WATERCRAFT, OFFSHORE OIL EXPLORATION EQUIPMENT, DIESEL ENGINES, MACHINE TOOLS, ELECTRONIC AND ELECTROMECHANICAL EQUIPMENT, BALL BEARINGS, AND*0IN THE FUTURE, PETROCHEMICAL PRODUCTS. SINGAPORE INDICATED THERE IS A MARKET IN SOUTHEAST ASIA FOR PRC PRODUCTS SUCH AS LATHES, MACHINE TOOLS, AND ROLLERS.

4. COMMENT: PRC-SINGAPORE TRADE AT PRESENT IS ALMOST EXCLUSIVELY COMPOSED OF COMMODITIES AND FOODSTUFFS. IN 1974, SINGAPORE IMPORTS FROM THE PRC TOTALED US\$268.3 MILLION, LARGELY FOOD. SINGAPORE EXPORT UTO PRC WERE ONLY US\$52.4 MILLION, AND MUCH OF THIS WAS RUBBER TRANSHIPPED FROM MALAYSIA OR INDONESIA. THE PRC THEREFORE HAD A TRADE SURPLUS OF US\$215.9 MILLION WITH SINGAPORE IN 1974. AMONG SINGAPORE'S NON-OIL PRODUCING TRADING PARTNERS, ONLY JAPAN AND THE UNITED STATES WERE IN GREATER SURPLUS. SINGAPORE WOULD CLEARLY LIKE TO REDUCE THIS LARGE TRADE DEFICIT WITH THE PRC BY GETTING PRC TO SHARPLY INCREASE PURCHASES (NOW MINIMAL) OF SINGAPORE MANUFACTURED GOODS.

5. THE PRC'S PROMISE TO BUY SINGAPORE GOODS CETERIS PARIBUS IS NOT ESPECIALLY MEANINGFUL, AS "OTHER THINGS" MIGHT ENCOMPASS TYPE, QUALITY, AND PRICE OF GOODS. FURTHERMORE, BEFORE SCHEDULING A SINGAPORE TRADE MISSION TO PEKING, THE PRC, ACCORDING TO THE STRAITS UNCLASSIFIED

UNCLASSIFIED

PAGE 03 SINGAP 01151 210426Z

TIMES, WOULD LIKE MORE DETAILED INFORMATION ON CAPITAL GOODS AVAILABLE. IN REALITY, THEREFORE, SINGAPORE HAS LITTLE IN THE WAY OF CONCRETE COMMERCIAL RESULTS TO SHOW AT THE MOMENT FROM THE PEKING MISSION. NEVERTHELESS, IT WAS A FRIENDLY BEGINNING; THE PRC INDICATED THERE WAS SCOPE FOR EXPANDING TRADE WITH SINGAPORE, AND THAT IT WAS INTERESTED IN DOING SO, PROVIDED IT WAS MUTUALLY BENEFICIAL.

6. THE FUTURE DIRECTION AND SCALE OF SINGAPORE-CHINA TRADE PROBABLY

WILL REMAIN A FUNCTION OF SUCH VARIABLES AS THE PRC'S BALANCE OF PAYMENTS SITUATION, AND ITS STRESS ON NATIONAL SELF-RELIANCE. HOWEVER, SHOULD THE PRC IN FUTURE DECIDE THAT IT MUST IMPORT FOREIGN PLANTS AND EQUIPMENT ON A LARGER SCALE THAN HITHERTO IN ORDER TO MEET ECONOMIC DEVELOPMENT GOALS, E.G., TO ACCELERATE DEVELOPMENT OF LIGHT INDUSTRY AND THE PRODUCTION OF CONSUMER GOODS, OR INCREASE OIL PRODUCTION, SINGAPORE MAY BE ONE PLACE WHERE THE PRC GOES SHOPPING. THIS IS TRUE BECAUSE THERE IS AN EXISTING BASE ON WHICH TO BUILD. LARGELY ETHNIC-CHINESE BUSINESS COMMUNITY IN SINGAPORE STILL HAS MANY CLOSE TIES TO THE MAINLAND. SEVERAL HUNDRED GO TO THE CANTON FAIR EACH YEAR. BANK OF CHINA AND KWANGTUNG PROVINCIAL BANK HAVE OPERATED IN SINGAPORE FOR MANY YEARS, AND SINGAPORE'S OVERSEAS CHINESE BANKING CORPORATION HAS BRANCHES IN SHANGHAI AND AMOY. CLOSE TIES ALSO EXIST IN SHIPPING.

7. MORE IMPORTANTLY, FOR THE FUTURE, SINGAPORE IS REGIONAL CENTER OF THE OIL EXPLORATION INDUSTRY AND A MAJOR RIG BUILDER. THIS TOGETHER WITH GROWING SHIPBUILDING/REPAIR INDUSTRY AND ITS ENTREPOT POSITION IN SEASIA GIVES SINGAPORE GREAT DEAL TO OFFER PRC. THEREFORE, DESPITE THE RATHER VAGUE CONCLUSION TO THESE INITIAL PRC-SINGAPORE TRADE TALKS, FURTHER COMMERCIAL DEVELOPMENTS BETWEEN ASIA'S LARGEST AND SMALLEST COUNTRIES MERIT CLOSE WATCHING. CRONK

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN RELATIONS, TRADE, NEGOTIATIONS, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 21 MAR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975SINGAP01151
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750099-0108
From: SINGAPORE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750327/aaaaaxzc.tel
Line Count: 138
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 SINGAPORE 1106
Review Action: RELEASED, APPROVED
Review Authority: woolflhd
Review Comment: n/a
Review Content Flags:
Review Date: 23 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23 SEP 2003 by greeneet>; APPROVED <30 DEC 2003 by woolflhd>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SINGAPORE-PRC TRADE DISCUSSIONS IN PEKING
TAGS: ETRD, SN, CH
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006